



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 30, 2001

### **H.R. 3295** **Help America Vote Act of 2001**

*As ordered reported by the House Committee on House Administration  
on November 15, 2001*

#### **SUMMARY**

H.R. 3295 would authorize the appropriation of about \$2.8 billion over fiscal years 2002 through 2006, mostly for grants to states and localities to improve voting technology and election administration. The bill would establish the Election Assistance Commission to undertake activities to improve the administration of elections and would set minimum standards for national elections. H.R. 3295 also would require the Department of Defense to implement a voting assistance program for military personnel and other overseas U.S. citizens. Finally, the bill would provide reduced postage rates for official election mailings.

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 3295 would cost about \$2.8 billion over the 2002-2006 period. In addition, we estimate that enacting the bill would increase costs to the U.S. Postal Service by about \$100 million over the 2002-2003 period. (Postal Service spending is classified as off-budget and is not subject to pay-as-you-go procedures.) The bill would not otherwise affect direct spending or receipts so pay-as-you-go procedures would not apply.

Section 4 of the Unfunded Mandates Reform Act (UMRA) excludes from the application of that act any legislative provisions that enforce the constitutional rights of individuals. CBO has determined that title V and certain sections of title VI would fall within that exclusion. Other provisions of the bill would provide grants to states to improve voting procedures and technology. Any costs to state, local, or tribal governments as a result of participating in those programs would be incurred voluntarily. The remaining provisions of the bill contain no intergovernmental or private-sector mandates and would impose no costs on state, local, or tribal governments.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3295 is shown in the following table. The costs of this legislation fall within budget functions 050 (national defense), 370 (commerce and housing credit), and 800 (general government).

	By Fiscal Year, in Millions of Dollars				
	2002	2003	2004	2005	2006
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Grants to replace punch card voting machines					
Authorization Level	400	0	0	0	0
Estimated Outlays	200	200	0	0	0
Voting system improvements					
Authorization Level	750	750	750	0	0
Estimated Outlays	75	600	750	675	150
Election Assistance Commission					
Estimated Authorization Level	3	4	4	4	4
Estimated Outlays	1	2	3	3	3
Other provisions					
Estimated Authorization Level	37	14	12	12	14
Estimated Outlays	20	26	12	12	14
Total					
Estimated Authorization Level	1,190	768	766	16	18
Estimated Outlays	296	828	765	690	167
<b>CHANGES IN OFF-BUDGET DIRECT SPENDING</b>					
U.S. Postal Service <sup>a</sup>					
Estimated Budget Authority	50	55	0	0	0
Estimated Outlays	50	55	0	0	0

a. These estimated costs would be offset, over time, by postal rate increases.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted by the end of calendar year 2001 and that the necessary amounts will be appropriated each year. CBO estimates that

implementing H.R. 3295 would cost \$2.8 billion over the 2002-2006 period, mostly for voting system improvements. The bill would also increase spending of the Postal Service, which is classified as off-budget.

### **Spending Subject to Appropriation**

**Grants to Replace Punch-Card Voting Machines.** H.R. 3295 would authorize the appropriation of \$400 million for fiscal year 2002 for payments to state and local governments to replace punch card voting systems. State and local governments that apply for these funds would be able to receive a maximum of \$6,000 per precinct.

**Voting System Improvements.** The bill would authorize the appropriation of \$2.25 billion over the 2002-2004 period to pay for grants to states and localities for improving voting technology and upgrading equipment, improving voter registration systems, increasing access for voters with disabilities, and enhancing training for poll workers. CBO expects that most of the funds to replace machines and to implement improvements would be spent in fiscal years 2003 through 2005.

**Election Assistance Commission.** Title II would authorize the appropriation of up to \$10 million annually to establish the Election Assistance Commission. The four-member, bipartisan commission would advise state and local governments on election administration. This work would include developing voluntary election management standards, serving as a clearinghouse for information, and reviewing procedures affecting the administration of federal elections. The bill also would transfer all the functions of the Office of Election Administration of the Federal Election Commission to the new commission. CBO estimates that the commission would require funding of \$3 million to \$4 million annually with estimated outlays of about \$12 million over the 2002-2006 period.

**Other Provisions.** H.R. 3295 also would authorize appropriations for several other programs aimed at improving the election process, including grants to study and improve voting technology, pilot programs to test these new technologies, and programs to encourage citizens to get involved in the election process. CBO estimates that, in total, implementing these programs would cost \$84 million over the 2002-2006 period.

H.R. 3295 would direct the Secretary of Defense to coordinate all voting activities for members of the military and other overseas U.S. citizens, includes training voting assistance officers, conducting mail delivery surveys, and providing information on voter registration requirements and deadlines of the various states. Based on information from the Department of Defense, CBO estimates that implementing this section of the bill would result in no significant costs.

## **Off-Budget Costs (Direct Spending)**

For official mailings sent to voters by local election officials via first-class mail, H.R. 3295 would reduce the postage rate by 50 percent. CBO expects that the reduced postage rate would apply to two mailings every year to each of the 150 million registered voters in the United States. The current first-class rate is 34 cents and is expected to rise to 37 cents by fiscal year 2003, so CBO estimates this provision would cost the Postal Service about \$50 million in 2002 and about \$55 million in 2003. Over time, there would be no net effect from this provision because the Postal Service is required to set rates so that it covers all costs. Postal Service spending and collections are classified as off-budget and would not be subject to pay-as-you-go procedures.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

Section 4 of UMRA excludes from the application of that act any legislative provisions that enforce the constitutional rights of individuals. CBO has determined that title V and certain sections of title VI would fall within that exclusion because they enforce an individual's right to vote, and to have that vote counted.

Other provisions of the bill would benefit state and local governments. Specifically, title I would provide grants to states to replace or upgrade punch card voting systems. Provisions of title II would provide payments to states to improve election administration and voter education. In both cases, states must provide up to 25 percent in matching funds to be eligible to receive the assistance. The matching requirement as well as any other costs to state, local, or tribal governments as a result of participating in these programs would be incurred voluntarily.

The remaining provisions of the bill contain no intergovernmental or private-sector mandates and would impose no costs on state, local, or tribal governments.

**ESTIMATE PREPARED BY:**

Federal Costs: Mark Grabowicz and Matthew Pickford

Impact on State, Local, and Tribal Governments: Susan Sieg Tompkins

Impact on the Private Sector: Paige Piper/Bach

**ESTIMATE APPROVED BY:**

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis